

Auditor Access



The Need for Expeditious Access

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Auditor Access for Financial Statement Audits

- To accomplish DoD Goal of receiving audit opinions, auditors (Service auditors, Independent Public Accountants, and/or IG DoD auditors) need *expeditious* access to records, documents, and knowledgeable personnel.
- Financial statement audits are different from performance audits
 - the goal of financial statement audits is to express an opinion regarding whether an entity's financial statements are accurate, supported by reasonable documentation, and presented in accordance with generally accepted accounting principles.
- DoD financial statement audits have an annual November 15 deadline imposed by OMB
 - all DoD component audit opinion reports are due to OSD(C) by November 8, only 39 days after year end.



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To achieve the opinion deadlines, the OIG DOD and DFAS have jointly agreed to the following practices:

- The OIG DOD will provide announcement and security memorandums for all financial statement audits to the DoD Comptroller, the reporting entity (usually the Service Assistant Secretary for Financial Management and Comptroller), DFAS, the Defense Information Systems Agency (DISA), and the Defense Logistics Agency (DLA).
- Announcement letters will be sent 30-45 days prior to the start of the audit and security letters/visit requests will be sent to sites three weeks prior to site visits.



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- We will also conduct entrance conferences with the reporting entity HQ and the DFAS center where accounting is performed and financial statements are prepared for the entity being audited. Entrance conferences will usually be conducted at the beginning of the audit and will cover the period through the rendering of an opinion on the entity's financial statements. Entrance conferences may be conducted, at the discretion of the auditor, at audit sites where extensive work is to be done.



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In addition, to achieve the opinion deadlines, the OIG DoD proposes the following practices with the DoD Components:

- **The IG and the DoD Component being audited will *each* assign a primary and an alternate POC to be contacted to resolve questions or concerns between the DoD Component, the OIG auditors, and/or the contract auditors.**
- **When specific contract/task order is awarded to an IPA firm, the DoD Component POC will receive a copy of specific items the IPA needs to meet the contract requirements at the entrance conference. This will provide the POC with timeframes for when the IPA may be requesting information, visiting specific sites, etc. The IPA may however, need to request additional items throughout the performance of the audit.**



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- **When sample vouchers, transactions, disbursements, obligations, etc. are selected, these items will be collected by the DoD Component POC to demonstrate that the component has the required supporting documentation. The POC will be responsible for making arrangements to provide the required supporting documentation to the auditors within 2 days.**
- **OIG and DoD Component POCs will coordinate access to documents and personnel to minimize time constraints placed on all parties. (When only electronic transactions exist, auditors will accept print screens as supporting documentation when they are generated at the time of entry. However, if other supporting documentation exists, auditors will need to validate the electronic data.)**



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- **IG auditors and IPA firms will request access to DFAS and other DoD systems at least 2 days in advance. OIG and DoD Component POCs will coordinate requests for access to financial systems to minimize constraints on auditors.**
- **Per the Financial Improvement Initiative Business Rules, auditors will provide site visit data requests at least three weeks in advance. They will try to time requests and testing so they do not interfere with DoD Component quarterly reporting requirements or other data processing. However, to adequately review and test controls, auditors will need to monitor quarterly and year-end processing, as well as other major accounting events throughout the opinion year.**